

Message Text

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AMCONSUL CAPE TOWN

UNCLAS SECTION 1 OF 3 JOHANNESBURG 377

CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: BEXP, EIND, SF

SUBJ: COMMERCIAL PROGRAM: PRINTING AND GRAPHIC ARTS (PGA)

PRODUCT LITERATURE DISPLAY (PLD) - FINAL REPORT

(FEBRUARY 14 - 16, 1977)

REF: 1) JOHANNESBURG 2310, 2) JOHANNESBURG 2292, 3) USDOC 11107,
4) USDOC 13042, 5) 10 FAM 366.4 (G) (1)

FOR BIC/OIM/SAD

1. ITR JAMES C. TOEDTMAN PROVIDED SUPERIOR SUPPORT THIS EVENT BY ASSISTING CONGEN IN RESPONDING TO REQUESTS FOR INTERVIEWS; INTERPRETING US INDUSTRY CATALOGS AND TECHNOLOGY AND OUTLINING TRENDS AND DEVELOPMENTS AND SOURCES OF INFORMATION ON US INDUSTRY FOR REGISTERED BUSINESS AND TRADE VISITORS. ITR ALSO MADE PLANT/INDUSTRY VISITS AT TERMINATION OF PLD AND, THROUGH THE COOPERATION OF THE USIS BPAO, ARRANGED FOR 16 MM FILM SHOWING TO GROUP OF STUDENT TRAINEES AT THE ARGUS NEWSPAPER GROUP.

2. PLD DATA: NO. OF US FIRMS (PARTICIPANTS) COMPLETING DIB -432S-79 (SEE CONGEN'S 326); NUMBER OF REGISTERED BUSINESS/
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TRADE VISITORS DURING THREE DAYS OF EVENT 142, COMPRISED OF 81 AT EVENING BUSINESS RECEPTION ON FEBRUARY 14 AND 61 DURING THREE DAYS OF DISPLAY. NUMBER OF US PARTICIPANTS IN WHOSE PRODUCTS/EQUIPMENT SALES AND/OR AGENCY LEADS WERE OBTAINED 52; TOTAL SALES/AGENCY LEADS OBTAINED 133. NO. OF TECHNICAL QUESTION REQUIRING FOLLOW THROUGH 36.

3. BEST SELLERS IN TERMS OF PRODUCTS, EQUIPMENT AND EXPRESSIONS
OF INTEREST:

I) CAPITAL EQUIPMENT-

- A) PHOTOCOMPOSITION SYSTEMS
- B) PRE-PRESS PRECESSING EQUIPMENT
- C) SPECIALTY PRESSES INCLUDING WEB PRESSES
- D) BINDERY EQUIPMENT AND ACCESSORIES

II) SPECIAL NEW LINES - INCLUDING -

- A) LASERWRITER PLATE EXPOSURE SYSTEMS
- B) SCREEN PRINTING EQUIPMENT, INCLUDING HEAT TRANSFER PRESSES
- C) LABEL PRINTERS
- D) FILM PROCESSORS
- E) NEW PLATE TECHNOLOGY, INCLUDING COMBINATION (2-WAY) NYLON
PLATES

4. MOST INTEREST IN EQUIPMENT/CATALOGS ON DISPLAY:

- A) WIPE-ON PLATES AND WIPE-ON CHEMISTRY
- B) PRODUCTION AND QUALITY CONTROL INSTRUMENTATION, SUCH AS
DESENTITOMETERS
- C) PHOTO COMPOSITION EQUIPMENT
- D) FORMS AND PRESSES
- E) WEB PRESSES

5. GOOD INTEREST IN EQUIPMENT IN DISPLAY:

- A) PHOTOGRAPHIC AND PRODUCTION SUPPLIES AND EQUIPMENT
- B) DIRECT SCREEN PROCESSING EQUIPMENT
- C) FORMS PRESSES
- D) BINDERY EQUIPMENT

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6. LEAST INTEREST IN EQUIPMENT IN DISPLAY:

- A) CHEMICALS
- B) INKS
- C) PERFORATING MACHINERY
- D) DUPLICATOR EQUIPMENT
- E) FACSIMILE TRANSMISSION AND RECORDING EQUIPMENT

7. SIGNIFICANT GAPS IN CATALOGS IN WHICH INTEREST EXPRESSED:

- A) SHEET FED PRESSES
- B) LABEL PRINTERS
- C) PACKING HEAT-TRANSFER UNITS
- D) BINDERY ACCESSORY ITEMS
- F) FINE PAPERS

8. SIGNIFICANT SUCCESS STORIES:

REMARKABLE INTEREST- ACCORDING TI ITR - IN US PRODUCT LINES
AND EQUIPMENT, PARTICULARLY IN PLANT CAPITAL EQUIPMENT LINES.
SALES REPRESENTATIVE FIRMS (APPROXIMATELY TWELVE MAJOR ONES)
DISCUSSED THEIR INTERESTS AT LENGTH WITH ITR AND COMMERCIAL

STAFF. PHOTOCOMPOSITION, COMPSET AND COMPUGRAPHIC, SCHRIBER AND
DIDDE-GLASER IN BINDERY STOOD OUT IN TERMS OF LOCAL TRADE/
INDUSTRY VISITOR INTEREST. BIGGEST OPPORTUNITY SEEN NEW PHOTO-
COMPSOTION SYSTEMS, IN WHICH US EXCELS.

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MAJOR SOUTH AFRICAN ORGANIZATIONS SUCH AS THE SAG GOVERNMENT
PRINTER AND SOUTH AFRICAN RAILWAYS AND HARBORS SENT DELEGATIONS
TO DISCUSS FORWARD PROGRAMS WITH ITR AND WERE INTRODUCED TO
SUBSTANTIAL RANGE OF US EQUIPMENT/SYSTEMS WITH WHICH THEY WERE
NOT PREVIOUSLY FAMILIAR AND WILL CONSIDER IN NEW BUDGETS.

9. BELL-RINGERS IN TERMS OF AGENCY/SALES LEADS FROM REGISTERED
BUSINESS VISITORS (WHICH WILL BE REPORTED DIRECTLY TO US PARTI-
CIPANTS AND IN FURTHERDETAIL IN FINAL SHOW REPORT AIRGRAM)
INCLUDE FOLLOWING PARTICIPATING FIRMS:
ARTYPE INC., CRYSTAL LAKE, ILL (3); DURO-TEST CORP., FAIR LAWN,
N.J. (3); CAMERON-WALDRON, NEW BRUNSWICK, N.J. (3); ICONICS
CONTROL, TROY, OHIO (7); KREONITE INTERNATIONAL, WICHITA, KANSAS
(4); NORTH AMERICAN PUBLISHING, PHILADELPHIA (12) PRECISION
SCREEN MACHINE CO., HAWTHORNE, N.J. (3); SPIRAL BINDING, CLIFTON,
N.J. (5); TRANSFER TECH. CHICAGO (4); ZIPATONE, INC., HILLSIDE,
ILL (3) ATF/DAVIDSON, WHITINVILLE, MASS (3); ECCOM CORP., IRVIN,
CAL (3); KENDALL CO., BOSTON (3); MARK ANDY INC. ST. LOUIS (3);
DUN-DONNELL PUBLISHING CO. CHICAGO (11).

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10. ATTENDANCE AT DISPLAY: RELATIVELY LOW NUMERICALLY EVEN THOUGH ITR BELIEVES, AND POST CONCURS, QUALITY LEADERS OF TRADE AND INDUSTRY BOTH IN TERMS OF END-USERS AND AGENCY/REPS ATTENDED BOTH THE OPENING EVENING RECEPTION AND THE THREE DAY PLD. WE MOST PLEASED TO REPORT THAT THE PRINCIPAL MEMBERS OF THE TRADE AND INDUSTRY ASSOCIATIONS AND THE BUSINESS DEVELOPMENT DEPARTMENTS OF THE MAJOR NATION-WIDE BANKS ATTENDED THE RECEPTION AND THAT THUS THE WORD ON THE PLD WILL BE SPREAD BY THESE ACTIVE AND EFFECTIVE MULTIPLIERS.

11. MARKET DEVELOPMENT: AMERICAN COMMERCIAL NEWSLETTER FOR SOUTHERN AFRICA, RELEASED IN JANUARY FOR FEBRUARY ISSUE TO SOME 1,400 ADDRESSES INCLUDING TRADE, INDUSTRY, CHAMBERS OF COMMERCE, BANKS AND OTHER MULTIPLIERS GAVE FIVE PAGES OF COVERAGE ON EVERNT. MORE THAN FIVE HUNDRED TRADE LETTERS WERE MAILED OUT PRIOR TO EVENT TOGETHER WITH PLD EVENT CATALOG TO KEY INDISTRY/TRADE LEADERS INCLUDING ENTIRE MEMBERSHIP OF NATION-WIDE FEDERATION OF MSTER PRINTERS OF SOUTH AFRICA WITH LEADS PROVIDED BY ASSOCIATION FROM ITS ROLL OF MEMBERS. CONGEN HOSTED AGENTS/DISTRIBUTORS RECEPTION ON JANUARY 24 FOR ALL LOCAL AGENTS/REPS WHOSE PRINCIPALS IN PLD AND GAVE THEM BRIEFING ON ADVANTAGES OF INFORMING THEIR BUSINESS PROSPECTS OF EVENT AND REQUESTED THEM EACH TO PROVIDE LEADS AND/OR TO CONTACT THEM DIRECTLY. STANDARD BANK, THE NUMBER TWO NATION-WIDE BANK IN SOUTH AFRICA PROVIDED LEAD COVERAGE OF EVENT AT CONGEN'S REQUEST IN THE BANK'S BUSINESS DEVELOPMENT CIRCULAR WHICH IS DISTRIBUTED THROUGHOUT THE BANK'S NATION-WIDE BRANCH SYSTEM AND THUS TO THE ENTIRE INDUSTRY AND TRADE.

12. VENUE. THIS PRODUCT LITERATURE DISPLAY WAS HELD IN THE COMMERCIAL LIBRARY OF THE CONSULATE GENERAL WHICH IS LOCATED ON THE 11TH FLOOR OF THE KINE CENTRE. THIS IS IN THE HEART OF THE BUSINESS DISTRICT OF DOWNTOWN JOHANNESBURG. PARKING FOR REGISTERED BUSINESS VISITORS IS READILY AVAILABLE IN THE KINE CENTRE OR IN THE HUGE CARLTON COMPLEX ACROSS THE STREET. THUS, THIS VENUE WAS A CONVENIENT AREA, WELL-KNOWN TO THE BUSINESS
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13. MARKET INFORMATION: CURRENT CONDITIONS IN SOUTH AFRICA NOT ENCOURAGING, AND DELAYS INDICATED IN CAPITAL GOODS PURCHASES. HOWEVER ATTITUDE IS MODERATELY FAVORABLE FOR FUTURE DEVELOPMENT, AND SALES/AGENT FIRMS INDICATE INTEREST IN CONTACTS WITH U.S. INDUSTRY. U.K. GRAPHIC ARTS TRADE MISSION HELD CONCURRENTLY, HAD TEN INDUSTRY PARTICIPANTS, THOUGH IT GENERATED MUCH LOWER INTEREST. THERE IS A NEED FOR BROADER REPRESENTATION OF SPECIAL U.S. PRODUCT LINES FOR SOUTH AFRICAN INDUSTRY. NOTED EXPANSION IN WEB PRINTING, BINDERY DEPARTMENTS, IN-PLANT PRINTING, FAST PRINT COMPANIES' SWITCH FROM U.K. FIRMS TO U.S. NO KEEN INTEREST NOTED IN JAPANESE PRODUCTS LINES. SEVERAL SALES/AGENTS WITH GOOD ENTREE TO MARKET ANXIOUS TO HAVE U.S. LINES. ONE NEW MANUFACTURER OF PLATES - WITH GOOD BACKING - WANTS TO ACQUIRE RANGE OF US LINES.

DESPITE DOWNTURN IN ECONOMY GENERAL FEELING OF OPTIMISM PREVAILS IN THE PGA INDUSTRY. SOME COMPANIES LOOKING AHEAD - OTHERS LOOKING TO NEW SIDELINES LIKE LABELS, DRY-HEAT TRANSFER AND PRINTED "T" SHIRTS TO BUILD ADDITIONAL VOLUME. SEVERAL GOOD-SIZED MODERNIZATION AND EXPANSION PLANS INDICATED, AND PLD HELPFUL IN DIRECTING INTEREST TO THEM.

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MARKET DEVELOPMENT TRENDS INCLUDE GROWTH IN THE PRINTING AND PACKAGING INDUSTRIES AS WELL AS IN THE BOOKBINDING INDUSTRY. FOR EXAMPLE, HAYNE AND GIBSON OF EAST LONDON, A LARGE SOUTH AFRICAN PRINTER USING DIDDE-GLASER AND HARRIS-INTERTYPE EQUIPMENT SUPPLIED BY EVELYN HADDON LTD OF JOHANNESBURG HAS JUST WON A MAJOR

EXPORT CONTRACT FOR CARTONS MADE IN SOUTH AFRICA AND PRINTED BY HAYNE AND GIBSON FOR THE REPUBLIC OF IRELAND. THESE CARTONS, DESIGNED IN SOUTH AFRICA, IN THE FORM OF TRAINS, ANIMALS AND OTHER TYPES OF CHILDREN'S TOYS, WILL BE SHIPPED TO IRELAND BROKEN DOWN WHERE THEY WILL BE ASSEMBLED AND FILLED WITH CHOCOLATES SUCH AS "SMARTIES" FOR THE EEC MARKET.

IN BOOKBINDING, A NUMBER OF SOUTH AFRICAN FIRMS, ALSO USING AMERICAN EQUIPMENT, ARE NOW PRINTING IN SOUTH AFRICA FOR THE BLACK READERSHIP MARKET, PAPERBACKS AND OTHER BOOKS HERETOFORE PRINTED IN SPAIN FOR THIS MARKET.

PAPERS. SOUTH AFRICAN MILLS ARE NOW PRODUCING ALL OF THE DOMESTIC NEEDS OF NEWSPRINT AND A RANGE OF PAPERS FOR PACKAGING, PRINTING AND OTHER PRUPOSES. HOWEVER, HIGH QUALITY COATED PAPERS FOR USE IN FOODBARDS AND QUALITY PRINTING PURPOSES ARE STILL LARGELY IMPORTED.

ADDITIONAL MARKET INFORMATION WILL BE INCLUDED IN THE FINAL AIRGRAM REPORT ON THE DISPLAY.

14. COMMENT: THE CATALOG DISPLAY WAS A MODEST SUCCESS FOR THIS MARKET AREA. THE DOWNTURN IN THE SOUTH AFRICAN ECONOMY AND PARTICULARLY THE HARDHIT PRINTING AND GRAPHIC ARTS INDUSTRIES (VIRTUALLY ALL BUSINESS VISITORS COMMENTED THAT THEIR NUMBER ONE PROBLEM WAS UNDER-UTILIZATION OF THEIR PLANT AND EQUIPMENT) HAS CAUSED END-USERS TO PULL IN THEIR HORNS. MOREOVER, MOST BUSINESS VISITORS WERE GLOOMY REGARDING PROSPECTS FOR AN EARLY UPTURN. NEVERTHELESS, THE ITR AND THE POST DISCERN A HEARTENING INTEREST IN US EQUIPMENT, SYSTEMS AND TECHNOLOGY AND, INDEED, A MARKED TURN-AWAY FROM U.K. AND OTHER CONTINENTAL EUROPEAN SUPPLIERS. IN THIS CONNECTION (OUR FINAL REPORT AIRGRAM WILL UNCLASSIFIED

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COMMENT FURTHER ON THIS ASPECT) THE UK PRINTING AND GRAPHIC ARTS INDUSTRIES SPONSORED A TEN-MEMBER TRADE MISSION TO SOUTH AFRICA TO RUN CONCURRENTLY WITH THE US PLD. A REMARKABLE COINCIDENCE. THE UK TRADE COMMISSIONER AND A SELECTION OF THE MISSION MEMBERS VISITED THE PLD AND DISCUSSED DEVELOPMENT WITH THE POST AND THE ITR. THEIR CONSENSUS WAS THAT THE PLD IS A DEMONSTRABLY BETTER WAY TO PENETRATE THE MARKET AND MANIFESTLY LESS COSTLY TO PARTICIPATING FIRMS AND TO THE SERVICE.

IT IS INTERESTING TONOTE THAT THE UK AND OUR RESEARCH ON THE SOUTH AFRICAN MARKET FOR PGA EQUIPMENT WERE EQUALLY ENCOURAGING AT THE TIME IT WAS PERFORMED. OF COURSE, AS NOTED ABOVE, THE DOWNTURN IN THE SOUTH AFRICAN ECONOMY HAS SET IN SINCE THAT TIME, WITH THE REPORTED ADVERSE IMPACT ON BUSINESS INTEREST.

US INDUSTRY'S INABILITY TO PROVIDE VTRS FOR THIS EVENT WAS A SERIOUS SHORTCOMING IN THE VIEW OF LOCAL AGENTS/REPS, AND THE

ITR AND THE POST CONCURS. IN ADDITION, THE LACK OF PARTICI-
PATION BY CERTAIN KEY FIRMS IN RELATED AREAS OF THE GRAPHICS
INDISTRY WAS A DISAPPOINTMENT TO REGISTERED BUSINESS VISITORS.
WE CONCUR WITH THE ITR THAT VTRS ARE A "MUST" FOR SUCH AN EVENT
IN A MARKET AS SOPHISTICATED AS THIS. BROADER COVERAGE OF THE
MARKET TO INCLUDE SPECIAL SUPPPLIERS TO GRAPHIC COMMUNICATIONS ALSO
NEEDED.

ON THE BASIS OF ATTENDANCE IN RELATION TO THE MARKET DEVELOPMENT
PROGRAM AS REPORTED ABOVE, WE DO NOT BELIEVE THAT FURTHER PLDS
IN THE PGA OR OTHER INDUSTRY SECTORS SHOULD BE PLANNED BY USDOC
AT THIS TIME. FOR THE FORESEEABLE FUTURE, WE BELIEVE THAT
THE USDOC OFFICE OF EXPORT DEVELOPMENT FOCUS EFFORTS ON ADS
SERVICE, THE CNFS AND OIM PRODUCT AREA MARKET RESEARCH MAY
BETTER SUIT THE INTERESTS OF THE US BUSINESS COMMUNITY LOOKING
TO USDOC AND THE FOREIGN SERVICE FOR ASSISTANCE IN PENETRATING
THIS MARKET BY DIRECT EXPORTS FROM THE UNITED STATES.
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